

June 15, 1978

NOTE FOR : The Director
FROM : Haviland Smith
SUBJECT : The HSCA Investigation of the Mexico City Station

1. The memorandum from Scott Breckinridge, attached hereto, dated 15 June, addresses only one aspect of our problem with the HSCA. In the fall of this year, the HSCA will prepare a report for the Congress which will be unclassified. There seems every likelihood that this report, whether we are able to contest it successfully either with the Committee or perhaps even in the Courts, will contain sensitive information, the revelation of which will be very damaging to our interests in Mexico. Not only will this report provide evidence of our unilateral intelligence activity in Mexico City, which activities are against Mexican Law, but it will also contain proof that elements of the Mexican Government are involved in activities which are illegal under their own constitution. The best example of this, but not the only example, is their telephone tap activity, the evidence from which will be an integral part of the HSCA's conclusions.

2. Mexico City is a focal point for Soviet intelligence operations against the continental United States. There is a long, documentable history of Soviet activities based in Mexico being run into our Country. The relationship that we have with the Mexican Security Service is a critical ingredient in our ability to protect ourselves against these Soviet intelligence activities. You will recall that the Boyce-Lee case was brought to our attention by those elements of the Mexican government. If, as we suspect, the Committee publishes the kind of information spelled out above, the result on this liaison relationship will be disastrous. It will seriously weaken our ability to protect our country from Soviet intelligence activities.

3. We believe that the issues raised by Chairman Stokes in his letter to you affords an excellent opportunity for you to underline to him some of the problems which are inherent in an ultimate declassification and publication of the sensitive information they have gleaned from our files on general intelligence activities in Mexico City. This may not prove to be helpful in dampening the ardor of the HSCA staff, but it most certainly will put them on notice that the course they are taking will have direct repercussions not only on CIA activities in Mexico City, but on our bilateral relations with that country.

SECRET

19998